

### **OUTCOMES for Subcommittee No. 3: May 6, 2004**

- (Please reference the Subcommittee Agenda in tandem with these outcomes.)

#### **I. 5175 DEPARTMENT OF CHILD SUPPORT SERVICES** pages 2 - 10

##### **1. Child Support Collections** page 2

*Key issue:* budget estimates that California will collect \$2.4 billion in child support (\$364.5 million General Fund) in the budget year. \$71 million of the state's estimated collections stem from the child support collection enhancements enacted by the Legislature.

*Action:* No action taken. Informational item.

##### **2. Local Child Support Program Compensation** page 4

*Key issue:* Last year, the Legislature enacted AB 1752 to consider the relationship between allocation methodologies and program performance, and to review alternative methodologies to allocate child support program funding.

*Action:* Kept issue open.

##### **3. California Child Support Automation System and Alternative Federal Penalty** page 5

*Key issue:* Since 1997, California has been subject to substantial federal penalties due to the state's failure to establish the required system by the federal deadline. California is in the process of developing the California Child Support Automated System which when implemented on a statewide basis will obviate federal penalties.

*Action:* Kept issue open.

##### **4. County-Share of Alternative Federal Penalty** page 6

*Key issue:* budget proposes to establish a permanent 25 percent county share of the alternative federal penalty for General Fund revenues of \$55 million.

*Action:* Kept issue open.

##### **5. Eliminate County Share of Child Support Collections** page 7

*Key issue:* budget proposes to eliminate payment of the county share of child support collections for an increase in General Fund revenues of \$39.4 million. The proposal will most likely reduce funding for human services programs and may increase demands for county realignment funds.

*Action:* Kept issue open.

**6. Disregard Payment to Families Receiving CalWORKs** page 8

*Key issue:* California provides families receiving public assistance the first \$50 dollars in child support payments collected on their behalf in addition to their CalWORKs grant at a cost to the General Fund of \$28.5 million.

*Action:* No action at this time.

**4130 HEALTH AND HUMAN SERVICES AGENCY DATA CENTER** page10  
**5180 DEPARTMENT OF SOCIAL SERVICES - AUTOMATION ISSUES**

**VOTE ONLY ITEMS:**

**1. Electronic Benefit Transfer** page10

*Key issue:* budget proposes to reduce funding for the EBT Project by \$3.7 million in the current year and \$2.3 million in the budget year due to revised caseload projections.

*Action:* Approved as budgeted.

*Vote:* 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:* McClintock)

**2. Statewide Fingerprint Imaging System** page11

*Key issue:* budget proposes to increase HHSDC's expenditure authority for the SFIS project by \$711,000 to support quality assurance and project oversight activities, user training, and application maintenance. LAO recommends that the Legislature reduce the proposal by \$536,000 and direct the administration to resubmit a request after examining the use of state staff.

*Action:* Reduced proposed funding by \$536,000. Adjusted DSS's budget accordingly.

*Vote:* 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

**3. Unemployment Insurance Modernization Project** page11

*Key issue:* Finance letter requests that the Legislature increase the Data Center's expenditure authority by \$17.8 million and establish 5 new positions to support activities associated with the Unemployment Insurance Modernization Project.

*Action:* Kept issue open.

**4. Statewide Automated Welfare System (SAWS)** page12

*Key issue:* budget provides a \$36 million augmentation to the Consortium IV project to support C-IV implementation in two counties, system and data conversion to C-IV, and maintenance and operations activities similar to those required by other SAWS applications.

*Action:* Approved as budgeted.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

## **DISCUSSION ITEMS:**

### **1. HHSDC Costs and Rates**

page12

*Key issue:* cost of HHSDC's operations is fully reimbursed by its clients. Client departments reimburse HHSDC based on the level and type of services they receive and the Data Center's rates. HHSDC's rates are not subject to review or approval from the Department of Finance.

*Action:* Adopted placeholder budget bill language and trailer bill language that mirrors proposed rate reforms for the Department of General Services, including a requirement that HHSDC's rates be subject to review and approval by the Department of Finance.

*Vote:* 4 - 0 (*Aye:* Chesbro, Cedillo, McClintock and McPherson)

### **2. Data Center Consolidation**

page13

*Key issue:* AB 1752 required the Department of Finance to convene a working group to develop a data center consolidation plan by December 1, 2003, and to develop a data server consolidation plan to be implemented by July 1, 2004 to realize at least \$3.5 million General Fund in savings.

*Action:* Kept issue open.

### **3. IHSS - Case Management Information and Payrolling System (CMIPS)**

*Key issue:* budget proposes to extend funding for CMIPS procurement activities for one year to support re-evaluation of the procurement strategy (\$1.7 million).

*Action:* Directed Subcommittee staff to develop trailer bill language to specify the components that CMIPS II must include and establish a deadline to begin procurement of the new system.

## **4170 DEPARTMENT OF AGING**

### **VOTE ONLY ITEMS**

#### **1. Long-Term Care Ombudsman Program**

page15

*Key issue:* Finance letter requests that the Legislature reduce funding for the Long-Term Care Ombudsman program by \$2.9 million because the federal Center for Medicare and Medicaid ruled that the program is not eligible for federal Medicaid funding.

*Action:* Adopted Finance letter.

*Vote:* 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

#### **2. Multipurpose Senior Services Program**

page15

*Key issue:* Finance letter requests that the Legislature decrease General Fund support for MSSP administration by \$53,250 and adopt a corresponding increase in federal reimbursements.

*Action:* Adopted Finance letter.

*Vote:* 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

## **4200 DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS**

### **VOTE ONLY ITEMS**

#### **1. Substance Abuse Prevention and Treatment Block Grant**

page16

*Key issue:* Finance letter requests that the Legislature increase local assistance funding for alcohol and drug programs by \$277,000 to reflect an increase in the federal SAPT funding.

*Action:* Adopted Finance letter.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

#### **2. Substance Abuse and Crime Prevention Act**

page16

*Key issue:* Finance letter requests that the Legislature shift \$428,000 in SACPA funding from local assistance to state operations and establish 6.5 new positions to support audit activities.

*Action:* Adopted Finance letter.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

#### **3. Office of Problem Gambling**

page17

*Key issue:* Finance letter requests that the Legislature provide a \$3 million augmentation from the Indian Gaming Special Distribution and 3 new positions to support the establishment of the Office of Problem Gambling.

*Action:* Will consider the Administration's proposal at hearings on the May Revision.

## **5180 DEPARTMENT OF SOCIAL SERVICES**

### **VOTE ONLY ITEMS**

#### **1. Community Care Licensing Caseload**

page18

*Key issue:* budget provides a \$1.3 million augmentation (\$1.2 million General Fund) and establishes 18.5 positions due to an increase in the number of certified family homes and the number of complaints filed against the homes.

*Action:* Approved as budgeted.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

#### **2. Disability Determinations**

page18

*Key issue:* budget provides a \$7.8 million augmentation (\$1.5 million General Fund) and establishes 60.6 positions to support increased disability determination workload.

*Action:* Approved as budgeted.

*Vote:* 3 - 1 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock)

### **3. Child Welfare Services Program Improvement Plan**

page19

*Key issue:* budget provides \$572,000 (\$286,000 General Fund) and establishes 6 new positions to complete workload associated with the PIP, including data analysis, preparing quarterly PIP reports and conducting the PIP survey.

*Action:* Approved proposed funding and positions for state PIP activities.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

### **4. Electronic Benefit Transfer**

page19

*Key issue:* budget extends, for one-year, two limited-term positions to provide program support and oversight of the EBT project at a cost of \$161,000 (\$58,000 General Fund).

*Action:* Approved as budgeted.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

### **5. IHSS - Case Management Information and Payrolling System**

page19

*Key issue:* budget proposes to extend funding for CMIPS II procurement activities for one year to support re-evaluation of the procurement strategy and proposes new funding for contracted Independent Verification and Validation services (\$1.7 million General Fund).

*Action:* Kept issue open.

### **6. State Council on Developmental Disabilities**

page20

*Key issue:* budget provides \$651,000 in increased reimbursements and establishes 6.8 positions for DSS to provide administrative support to the State Council.

*Action:* Approved 4 positions and \$390,000 in reimbursements for DSS to provide administrative support to the State Council.

*Vote:* 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:* McClintock)

### **7. Proposed Workload Relief Associated with Reductions in State Operations**

page20

#### **Issue A - Eliminate the Child Care Advocate Program**

page20

*Key issue:* budget proposes legislation to make it optional for the DSS to establish a Child Care Ombudsman program and renames the program as the Child Care Advocate Program.

*Action:* Adopted the proposed legislation.

*Vote:* 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

#### **Issue B - Processing of Applications for Trustline Certification**

page21

*Key issue:* budget proposes legislation to shift the responsibility of receiving Trustline applications and submitting provider fingerprints to the Department of Justice from the DSS to the Child Care Resource and Referral Network.

*Action:* Rejected the proposed legislation.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

**Issue C - Expand Activities Supported by the Technical Assistance Fund** page21

*Key issue:* budget proposes legislation to broaden the activities supported by the Fund to include administrative and other licensing activities.

*Action:* Adopted the proposed legislation.

*Vote:* 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:* McClintock)

**Issue D - Certification and Monitoring of Out-of-State Group Homes** page21

*Key issue:* budget proposes legislation to eliminate the requirement that the Department of Social Services certify and monitor out-of-state group homes.

*Action:* Rejected the proposed legislation.

*Vote:* 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:* McClintock)

**Issue E - Eliminate Claimants Rights for Rehearings** page22

*Key issue:* budget proposes legislation to eliminate the statutory authority for claimants and counties to request rehearings from the Department of Social Services.

*Action:* Rejected the proposed legislation.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

**Issue F - CalWORKs Mental Health Pilot Program** page22

*Key issue:* budget proposes legislation to eliminate the requirement that DSS develop a plan for operation of the pilot program and report to the Legislature by 2005.

*Action:* Adopted the proposed legislation.

*Vote:* 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

**Issue G - Group Home Rates** page22

*Key issue:* budget proposes legislation to (1) impose a 3-year suspension of the biennial rate-setting requirements applicable to group home programs and foster family agencies; (2) authorize a 3-year suspension of non-provisional program audits; and (3) remove the requirement for the department to reimburse certain providers for audit costs.

*Action:* Rejected the proposed legislation.

*Vote:* 3 - 2 (*Aye:* Chesbro, Cedillo and Ortiz; *No:* McClintock and McPherson)

**8. CalWORKs Research and Evaluation** page23

*Key issue:* budget provides \$6.6 million to fund CalWORKs research and evaluation projects.

*Action:* Reduced proposed funding by \$2.6 million.

*Vote:* 5 - 0 (*Aye:* Chesbro, Cedillo, McClintock, McPherson and Ortiz)

## **9. Food Stamps Program**

### **Issue A- Elimination of Transitional Food Stamps Benefits**

page23

*Key issue:* Governor proposes to eliminate transitional food stamps benefits for General Fund savings of \$1.1 million in the current year and \$3.1 million in the budget year.

*Action:* Rejected budget proposal and restored program funding.

*Vote:* 4 - 0 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz)

*Action:* Recognized \$3.7 million in increased General Fund revenues.

*Vote:* 3 - 0 (*Aye:* Chesbro, Cedillo and Ortiz)

### **Issue B - Repeal of Recent Food Stamps Program Reforms**

page24

*Key issue:* Governor proposes to repeal legislation, which sought to increase participation in the food stamps program to realize General Fund savings of \$186,000 in the current year and \$444,000 in the budget year.

*Action:* Rejected budget proposal and restored program funding.

*Vote:* 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:* McClintock)

*Action:* Recognized \$835,000 in increased General Fund revenues.

*Vote:* 3 - 0 (*Aye:* Chesbro, Cedillo and Ortiz)

## **10. California Veterans Cash Benefit Program**

*Key issue:* budget proposes to eliminate the California Veterans Cash Benefit Program for General Fund savings of \$1.2 million in the current year and \$5.5 million in 2004-05.

*Action:* Rejected budget proposal and restored program funding.

*Vote:* 4 - 1 (*Aye:* Chesbro, Cedillo, McPherson and Ortiz; *No:* McClintock)